

**MINUTES OF REGULAR MEETING OF
THE REDEVELOPMENT COMMISSION OF GREENSBORO**

MAY 20, 2003

REGULAR MEETING

The Redevelopment Commission of Greensboro met in regular meeting in the Plaza Level Conference Room, Melvin Municipal Building, Greensboro, North Carolina, on Tuesday, May 20, 2003 at 5:07 p.m. Present were: Chairman Bill Benjamin, Joe Wood, Nettie Coad, Jerry Leimenstoll, and Scott Lilly. Dan Curry, Caroline Wells, and Dyan Arkin represented the Housing and Community Development Department (HCD). Jim Blackwood, Esq., Attorney for the Commission, was present, as well as Mike Williams, Esq., of the City Attorney's Office.

Chairman Benjamin called the meeting to order, introduced himself, and welcomed everyone to the meeting. He asked that anyone who wished to speak to come up to the microphone, identify themselves, and give their address.

APPROVAL OF MINUTES OF REGULAR MEETING OF APRIL 15, 2003

Mr. Leimenstoll moved approval of the April 15, 2003 minutes as written, seconded by Mr. Wood. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

WILLOW OAKS NEIGHBORHOOD:

A. 728 GILLESPIE

Ms. Arkin said that this acquisition appeared on the February 2003 agenda. The Commission voted to table the item "pending more information." At the April meeting, the Commission voted to table the Willow Oaks presentation that would have provided some additional information. The need to proceed with this acquisition has become more urgent given the unstable state of Gillespie Street and staff is asking the Commission to consider this acquisition once again. This property is the only property on this portion of Gillespie Street that is not owned by the Redevelopment Commission, and the current property owners have not wanted to move a family into a structure that sits amidst construction. The property, owned by Robert Siler, consists of a single ranch house built in 1989. The house is located on a 5,456 square foot lot. The property is in generally good condition and has been valued by the appraiser at \$70,000. The review appraiser accepts this value as sound. The Commission is asked to approve the appraisal value of \$70,000 as the offer price for this property.

Ms. Arkin said this was not a piece of property that was on the original acquisition list because, at that time, it was occupied and in reasonably good shape. She was assuming there was not reason to believe that it would not remain at that level.

Chair Benjamin commented that perhaps they should keep this in the back of their minds because the next time, if we acquire something and then do not immediately solve it, we are creating something new, such as the Inspections Department complaining about units being boarded up.

Ms. Arkin said as they have moved forward with the Master Plan of this area, the assumption was that all of the lots along here would be acquired because they had not been continued to be kept up and they have not kept rented. They were not particularly viable; they were all starting to deteriorate. No one has lived in this house for over a year.

Chair Benjamin asked if the owner got to January of next year, would the market be different because across the street there would be units for sale?

Ms. Arkin said she did not think so, based on a combination of intuition and discussions with people who had a lot more experience, she is not confident that anything would happen to this property for a very long time, probably a couple of years.

Ms. Curry said that there are quite a few blocks within the Willow Oaks Redevelopment Area where there are no acquisitions identified. That entire area from McConnell Road to Lee Street is not included in our acquisition work. It is intended to be a rehabilitation and conservation area where we do work with the property owners very closely and directly to help them rehab properties where we can. If necessary at some point in time, staff may very well come back with an amendment to this Plan to identify some acquisition work in that area, if staff can identify funding sources to allow the Commission to do that, because there are some properties in there that are very deteriorated. Mr. Curry said that was set up originally as a potential later phase of this project. The Commission did not have the funding available initially to address those blocks, so staff knew from the beginning that that was going to be a future element of this overall plan. It is an important element. We know we have lot of work to do in terms of contacting owners and doing rehab negotiations. In fact, staff has already been doing some of that initial work in getting ready to market their Rehabilitation Program in that area.

Mr. Leimenstoll asked again what houses on the same side of the street are intended to be or do we know that in the future?

Mr. Curry said there would be a combination of single-family homes and some attached units.

Mr. Leimenstoll asked if we knew with clarify that this style house is definitely in the planning process? Has the planning process evolved so it will actually be totally out of character with the other stuff in there that is going to be constructed?

Ms. Arkin said, in terms of design, it will be out of consistency with the others. It could probably be brought into consistency with a new facade. In terms of quality of the building, it would be at a lower level than the other houses around there.

Mr. Wood moved that the Commission offer Mr. Siler \$70,000, the appraised value, for 728 Gillespie Street, with the following conditions: the Greensboro Redevelopment Commission will not destroy the house; they will pick the house up, put it up on steel, move it to a lot of an organization like Habitat for Humanity or something like that, offer it to them and let them rehab it and put it on a large of their choosing, but that the house not be destroyed.

Mr. Curry asked if staff could offer the suggestion of a friendly amendment that the motion be to provide a period of time of offering the house for moving to another location.

Mr. Wood said that the Redevelopment Commission pay for having the house moved and sell it to the group for 1 cent. He said if the Commission was going to pay for having it torn down, we are going to be \$70,000 basically for a lot, we can provide four or five more people in this town that do not have a home a home by offering it to another group.

Ms. Wells said it was a good idea, but it was an expensive idea with a lot of liability. Once you move that house, you are responsible for it.

Counsel Blackwood said there had been no second yet, but he wanted to add some clarification so that assist everybody in think about what you are doing. How long would it be before this structure would need to be demolished or removed?

Ms. Arkin said staff would like to see the bulk of the property ready early next year to be disposed of, to be turned over to the lead developer.

Counsel Blackwood said then there was a window of opportunity, if there was a closing sometime in July of roughly six months that you would not have to demolish the structure anyway.

Mr. Leimenstoll seconded the motion so there could be discussion.

Mr. Leimenstoll said the immediacy of this situation is based on the fact that the property continues to deteriorate because the present owner is unable to maintain it and cannot find an occupant; is that correct? Is that the reason or is there more than one reason?

Ms. Arkin said her understanding was from the present owner, and she hesitated to speak for him. Her understanding based on a couple of conversations is that he has made a choice not to rent it because he is afraid of putting anyone into this situation. He does not feel comfortable doing that, is what he had expressed to her.

Mr. Wood asked how much this house had deteriorated? It is only 14 years old.

Chair Benjamin said we do have a lead developer. We could just let the private sector take it and we could just step back. We do not have to, in fact, subsidize the developer further. He had been thinking to himself that the developer is asking us to go get it, there is a price, they could offer go to pay that, and they go do what they want with it.

Mr. Lilly asked what developer would pay \$70,000 for this house?

Chair Benjamin said we have a developer out there with HOPE VI money.

Mr. Curry interjected that this was not property for which HOPE VI money could be used to purchase.

Mr. Curry said he thought they were very willing to provide the house and work with anyone that would want to move the structure to another location. He thought they had time to offer that and get the word out that the house is available. It did concern him that if we are adding to the financial liability to pay for the move.

Chair Benjamin said if the Commission was to view this during their tour in about 3 weeks, could that help the Commission understand better what is going on and see a clearer answer?

Ms. Coad said she thought the retreat would allow them to see what else is there that we have not addressed.

Mr. Leimenstoll said getting back to his question, he still did not understand why we are back at this where there seems to be need to make a decision tonight.

Mr. Lilly said it was tabled in February, and the Commission did not have a March meeting.

Ms. Arkin said the primary urgency that she was feeling is based on her discussions with the owner of the house, that he wants a decision.

Chair Benjamin said there was a call meeting on June 3rd so it could be handled after the Commission had an on-site visit. They could come back then and finish this discussion. There may be something that would happen in the meantime that would help us understand it.

Mr. Wood said he would withdraw his motion.

Mr. Curry said that if the real issue on the table was what happens to the house after we purchase it, one option he would offer is go ahead and decide on the purchase and then instruct staff to bring back the options for disposition of the house, whether it is moving or rehab. It might be that it could be moved to work within the development plan that they have. They had not spent time looking at that option.

Mr. Wood said the motion was tabled until 6-3, the date of the tour.

Mr. Wood moved that this item be on the agenda on 6-3 and then they could move it to 6-24 or whenever, if we need to. He moved that the Commission consider this piece of property as part of the tour and any further additional meeting on 6-3.

Mr. Leimenstoll seconded Mr. Wood's motion that this item be put on the agenda on 6-3. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

GORRELL STREET NEIGHBORHOOD

A. BENNETT COLLEGE UPDATE

This item was removed from the agenda.

ADDITIONAL BUSINESS

A. REQUEST FOR PURCHASE OF LAND BY NEW ZION CHURCH

Ms. Dorothy Brown said her purpose in attending tonight's meeting was that she understood one of the churches wanted to purchase a parcel of land. She was here on behalf of Gate City CDC as one of their Board members and President of the Asheboro Street Neighborhood Association to request that the Commission delay any disposition of the properties until such time as their plans are completed.

Chair Benjamin said the record should note that Mr. Wood reminded the group that the Commission's policy has been to await this upcoming report. He did not think there was any need for the Commission to give an appearance of favoritism of one group over another.

Ms. Coad said as she remembered, New Zion is a part of the committee. She knew that staff has been working with them. So to her she thought that that should be what you keep on doing. To her, they are part of the committee and should know the process.

Chair Benjamin said they did have a letter that was delivered at the table. He suggested that a very short letter be sent to them, stating that the Commission will wait to handle this until after the report is done, and they will have the opportunity at a public hearing to voice their concerns.

B. PROPOSED RESOLUTION

Chair Benjamin said he went to the function for Southside's American Planning Association Implementation Award. Chair Benjamin said they could get something in their minutes that would say nice things about Sue Schwartz and also how pleased we are that good things have happened.

C. SPECIAL INTEREST

Mr. Lilly said he went back to do some fact finding, and he found that he was appointed to this Commission in 1999. At the end of this year, his first term expires. He thought this body has to change fundamentally and that we have to shorten our plan timing, perhaps have stages. He thought that we needed to have plans that have 4-year terms on them. He thought if they needed a 12-year plan, then they needed three 3-year plans, phase 1, phase 2, phase 3. He said he thought he would draft up a proposal for the Commissioners to consider and vote on to try to see if we can fundamentally change the way we operate here.

Mr. Wood said he thought that tied in too with the point that was made as part of this review that we are have. Chair Benjamin and he had been on the Commission since 1997. With the exception of College Hill and maybe one other, we are not seeing any closure. There is no motivation to.

Counsel Blackwood said none of the areas are in the plan or in the certification from the Planning Board. They have never, since we have done these, starting 1950s, had a termination date. He said his father was Chairman of this Commission for about 10 years in the 60s and he had been attending the meetings for about 20 years. There are some very good reasons for keeping them on. For example, there was an expansion of the area known as the Downtown Development Area. It was certified around 1960. It was expanded around 1980 to allow additional properties to become part of the Downtown Development Area to improve, among other things, such as what was McThrift Office Building, which was brought into Downtown so that they could take advantage of some tax incentives we were able to give. The area was expanded to include the 6 or 8-story building over on Edgeworth. If we had had a termination date, you would not have been able to do any of those. Glenwood and College Hill are through from an accounting standpoint, but those areas and the plans do not have a termination.

Chair Benjamin said that part of that though comes about because of staff and timing, etc. He thought that they could improve by setting up some target dates, do some kind of benchmark objective that the Commission would like to see. The one problem with the 4-year concept is we all come on for a different 4 years.

Mr. Lilly said there would always be someone who knew somebody on that original board.

Chair Benjamin said that since he had been on the Commission, they have had a turnover in the actual staff persons.

Mr. Lilly said you could do Willow Oaks in 4-year chunks.

Counsel Blackwood said this is something staff and others may be able to answer, but a lot of what you are also addressing is the function of money, the budget, and how it is slated. They have got to spread around several redevelopment areas at some point in time. It is

something that staff might be able to help in terms of figuring it out, the accounting, budgeting, and how all of that works out.

Mr. Wood said he thought the tape of this conversation should be sent to the Manager and members of Council just to let them know.

Counsel Blackwood said the financial aspect drives the plans and your ability to accomplish the plans.

Mr. Lilly said he would like to draft a proposal and he would welcome any comments and help from anyone that has any input to it. He said he was by no means the expert, but he would like to see something change so that we have the ability to target an area, accomplish something, and say we are done in an area and not let it linger on through years and years.

Chair Benjamin said he thought what he would also do would be ask Mr. Lilly to also express the issues he was trying to address because there may be another way to resolve it.

Mr. Curry said he had been quiet and had been listening, and staff shares just about every issue that brought up and is an issue that they think about routinely. Scheduling and prioritizing are some of the biggest issues they deal with. Staff will be more than happy to work with Mr. Lilly and response to suggestions he has on how they could be better focused. He thought part of the issue is that staff probably did not communicate enough in detail about how they do plan out their neighborhood work. There is a phasing plan already being discussed for the Ole Asheboro Plan process, so it is a lot of what has been brought that they deal with and they are very much on board with the Commission and be accountable clearly and visibly to the residents of the neighborhoods.

Mr. Lilly said he would not have something by next month, but he would like to have something so that even if he had to leave the Commission in December, that he could at least contribute, let the Commission decide on it, and his feelings would not be hurt if they voted against it. But at the same time, he would do what he could do.

In response to a question from Ms. Coad, Counsel Blackwood said he would have to look at the Statute, but he believed they were allowed two successive terms.

SOUTHSIDE NEIGHBORHOOD

A. KING STREET PROPERTIES

At its January meeting, the Commission approved the acquisition of 202 and 208 King Street for \$305,000. The Commission does not have acquisition power over most of the property, and approved of this offer as a negotiated acquisition. The owner, Tim Cox, has submitted a counteroffer appraisal for 208 King Street for the Commission's review. The Commission's offer for this property was \$185,000. Mr. Cox's counteroffer appraisal values

the property at \$204,000 (\$19,000 more). The Commission is asked to consider Mr. Cox's counteroffer of \$204,000 for the property at 208 King Street.

Mr. Cox has also requested that the Commission consider an option on the property at 202 King Street. Mr. Cox currently has a lease on the property with a tree service company and wishes to see that lease through until it expires in 2006. He would like to offer the Commission an option to buy the property at 202 King Street when the current lease expires. The Commission would have the option of purchasing 202 King Street at its appraised value in 2006. The Commission is asked to consider the taking the option on 202 King Street.

Ms. Wells presented a map to the Commission, indicating over which properties the Commission has acquisition power. The Commission previously made an offer for the properties. When Ms. Wells went back to Mr. Cox with the Commission's offer, he had received another offer from A&T, which withdrew. Mr. Cox sent in a counteroffer for the rear parcel. There is a structure on it now that Bennett College has been leasing. The lease is up, so he is willing to sell it. He submitted a counteroffer appraisal for the property slightly higher than we had appraised it. We had appraised it for \$185,000; his counteroffer is for \$204,000. She sent that appraisal to a reviewer, and the reviewer told her that generally when we do appraisals and we have counteroffer appraisals back, we require that they be complete appraisals. This was only an analysis summary. Ms. Wells said the Commission could probably rent the building out and probably get a small revenue stream, but it is not a building they would ever rehab.

Chair Benjamin said he was not real excited about buying this property. This is the one to the rear that has less that has less visibility impact. He was sitting here saying, let's let the private sector do it or let's go ahead and ignore it and just keep on going.

Mr. Wood said he agreed with that. When he read the synopsis and then looked at it, the owner gets the best of both worlds. He has a counter appraisal at \$204,000 versus \$185,000 and he can continue to lease the other property for another three or four years and make some money on that, and then we can have it for whatever the current value of it is three years from now.

Ms. Wells said that was obviously the way the owner would want it. You would want it if you were the owner too. It is up to the Commission as to how it wants to play this. We could take eminent domain power on this property, which makes this whole piece useless, if we wanted to. But we generally do not play hardball with people. Do you want to acquire the back piece, and take an option on the front piece? With the option, in all likelihood, would be assigned it to Nate Bowman.

Chair Benjamin said what we could do is say we would like an option on all the property and let Nate Bowman have the option. But he had to believe if we are spending \$300,000 for this property, whatever it was, that is precluding us doing something else somewhere else.

Mr. Wood said if this was truly a linchpin property in Southside, then Nate should more than happy to do that.

Ms. Wells said we have to understand where our obligations are as the Redevelopment Commission and where his obligations are as the developer. It is not going to be that we started this one phase and he can finish out the entire planning area. She did not think that the planning area is such a great sell that we can bank on developers being drawn to it in droves. This is where you have to rely on the knowledge of your staff. As we move to Phase 2, there are several pieces that we might be able to acquire. We might be able to pull this whole block into phase 2 and draw in the downtown area as part of this development area. Another way is to work out way over to Elm Street. But either way, Southside will continue and the burden will not be on the developer, it will be on the Redevelopment Commission.

Mr. Leimenstoll said this was a very important piece of property period - fact, major fact. No matter which way we go, whether we go towards Elm Street, whether go toward the depot. The issue is, what kind of strategy are we going to put together to do it?

Ms. Wells said that staff assesses each property. We strategize it every single day. This is a key property, and because he is willing to sell it, makes it a little bit easier.

Mr. Leimenstoll moved that the Commission accept the fact that this is an important piece of property and that we ask the staff to give us some ideas about strategizing this next section of parcels in whatever stage of the plan they come into, seconded by Mr. Wood.

Mr. Wood said he could just not see acquiescing to the owner saying, okay, this is an important piece of property and we are willing to give you extra for it, but we are going to let the eyesore stay for three years.

Chair Benjamin asked if there was any more discussion on the motion. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

Chair Benjamin said in terms of what he did not think was inherent in the motion was yes, we are not deciding on what to do; we are waiting for additional input.

OTHER BUSINESS

Ms. Wells said Council was talking about Code Enforcement, Local Ordinance Enforcement. Butch Simmons will be presenting in a program that has been in the newspaper quite a bit lately. It is item #34 and he will be introducing a program where landlords will have to be licensed and every 5 years they would have to be inspected and be given a certificate of occupancy to allow them to rent. If they don't get it, they can't rent. And it goes for single-family houses and multifamily. It is a new code, it's an International Code, and he does have copies that she could get for the Commission.

Chair Benjamin asked if the Commission wanted to be exempted?

Counsel Blackwood said the Commission was a part of the City and should be exempted. We are a municipal corporation set up by the City. For the City itself to tell the other part of it that you are in violation and are going to be penalized, it comes out of the same overall pot, but it is going go from one hand to the other. It actually makes no legal sense to cite itself for violation, except to be publicized in the newspaper. Counsel Blackwood continued, saying there are numerous laws, state, federal, whatever that exempt government entities and employees, etc.

Mr. Curry said the reality of it is, the Redevelopment Commission doesn't really own any rental property and this ordinance is only applicable to rental property.

Counsel Blackwood said if they were exempt in the Greensboro Housing Authority, which does have a lot of problems, if they had worded it correctly, all they would have had to have done was to make certain they exempted any properties held out for residential rentals owned by any governmental authorities, and that would have included us too.

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There being no further business before the Commission, the meeting was adjourned at 7:12 p.m.

Respectfully submitted,
Dan Curry, Assistant Secretary
Greensboro Redevelopment Commission

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